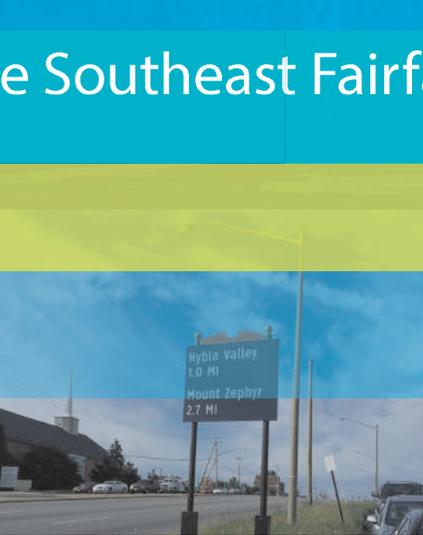
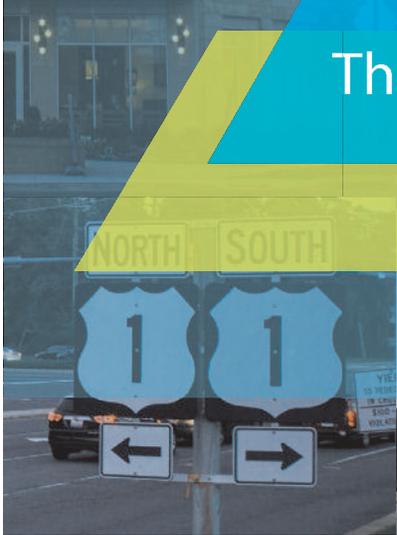




The Southeast Fairfax Development Corporation
"Progress By Design"



2017
ANNUAL REPORT

Greetings



On behalf of the Southeast Fairfax Development Corporation's Board of Directors, it is my pleasure to present the Fiscal Year 2017 Annual Report.

The Richmond Highway Corridor is the second-busiest area of development in Fairfax County. The past year has seen a continuation of activity in the corridor, including new multifamily and commercial development, together with planning for future transit in the corridor through the Embark Richmond Highway process.

Economic development benefits all county services and reduces pressure on residential real estate taxes. In the last six years alone, new projects have increased real estate tax revenues by more than \$3.5 million annually.

One of SFDC's especially successful initiatives has been our quarterly Summits. The summits are business resource events that connect the community with experts to talk about various topics pertaining to the revitalization of Richmond Highway.

We are also delighted to report that our Business Roundtable Speaker Series, which provides speakers focusing on topics such as education, networking, business diversity, and other issues affecting small businesses, has been sustained into a fifth year with private grant and sponsorship funding.

I welcome the opportunity for our investors and Board members to carry on our proactive role in talking to colleagues and business associates about the mission of the SFDC. As President, I am humbled by our board members' attendance at our events and their investment in redeveloping and revitalizing the Richmond Highway Corridor.

I am grateful for the opportunity to serve as your President; I appreciate all your support for a better community, and look forward to working with you for the benefit of the Richmond Highway Corridor.

Walter Clarke
President
Southeast Fairfax Development Corporation



In addition to our Board of Directors and professional staff, the Southeast Fairfax Development Corporation functions through a network of essential stakeholders. This network includes area elected officials, Fairfax County staff, the development industry, other organizations, and, most important, our neighborhood residential community.

When marketing the attributes of the Richmond Highway Corridor, we always keep in mind our fiduciary responsibility that results from being funded mainly by taxpayer dollars. We endeavour to target our efforts to maximum advantage while working with existing businesses, potential new businesses, and the development industry. We understand the importance of building coalitions and leveraging resources to increase the viability of the Richmond Highway Corridor as a strategic location for living and doing business.

We appreciate our strategic business partners (see page 11), who are instrumental in helping SFDC continue to market and promote the advantages of the Corridor, and in hosting quality programs that assist small businesses, the development industry and local residents. As separate entities, we can do only so much, but together we can become a powerful voice for encouraging quality development, generating new job opportunities and attracting new investment.

In addition to our private partners, our public partners include the U.S. Small Business Administration, the Virginia Department of Business Assistance, Virginia PTAP, the Fairfax County Office of Community Revitalization, the Fairfax County Office of Public/Private Partnerships, Visit Fairfax and the Fairfax County Economic Development Authority.

All of these partnerships have been instrumental in helping SFDC to continue to market and promote the Richmond Highway Corridor as a place to live, work, and play.

Edythe Kelleher
Executive Director
Southeast Fairfax Development Corporation

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Beacon Hill Community Business Center. A draft concept of the Beacon Hill CBC under the Embark Richmond Highway initiative, see pages 4 & 5 for more details about Embark Richmond Highway.



Bryant Alternative High School Mural. Students at Bryant High School partnered with mosaic artist Ali Mirsky to create a large mosaic mural on one of the retaining walls looking towards Richmond Highway and facing the St. Louis playground. The students and their teacher, Rachel Kreiger Albert, raised over \$8,000 to purchase materials for their mural project.

Richmond Highway: Present and Future



9 Miles

SFDC covers nine miles along the Richmond Highway Corridor of US Route 1 in Fairfax County from the Capital Beltway (I-495) to the Fairfax County Parkway.

6 CBCs

The nine-mile stretch of Richmond Highway covered by SFDC is a designated Community Revitalization District (CRD), which allows for expedited land-use and zoning review. The CRD contains six Community Business Centers (right, depicted in yellow), defined by Fairfax County as:

“Areas where redevelopment should encourage a mix of uses focused around a core area of higher intensity, such as a town center or main street in a pedestrian-oriented setting. Transitions in intensity and compatible land uses should protect surrounding stable residential neighborhoods.”

- 1) The Parker
- 2) Riverside Apartments
- 3) Huntington Club
- 4) Holiday Inn & Suites and SpringHill Suites
- 5) The Shelby
- 6) South Alex
- 7) Novus Kings Crossing
- 8) Fairfield Inn & Suites
- 9) The Beacon of Groveton
- 10) Retail center
- 11) North Hill
- 12) Original Mount Vernon High School
- 13) TownPlace Suites
- 14) Belvoir Square



IDI Group and the Huntington Club Condominiums Owners Association are in the preliminary stages of redeveloping the Huntington Club Condominiums. The proposed new development will include approximately 2000 units, and will be a mix of condos, apartments, townhomes, up to 30000 sqft of retail as well as lodging and office.



Novus Kings Crossing, a planned 340 unit multi-family building by Novus, LLC, a subsidiary of Cafritz Interests.



North Hill, a planned development of 219 multifamily (workforce/affordable) units, including 60 units for seniors, and 195 for-sale townhomes by CHPENN I, LLC a joint-venture between Community Housing Partners and Penrose



RICHMOND HIGHWAY CORRIDOR CBC'S
COMMERCIAL REVITALIZATION AREAS AND DISTRICTS



71%
Retail comprises an astonishing 71% of land use on the corridor



Embark Richmond Highway reimagines the Richmond Highway Corridor. According to Fairfax County, “Embark Richmond Highway is an initiative focused on creating a multimodal future for Richmond Highway Corridor where residents, workers, and visitors can walk, bike, or drive to the places they want to go.”

“Embark Richmond Highway is a multi-year effort involving land use, transportation planning, design and construction, which will result in a bus rapid transit system to operate primarily on dedicated lanes along Richmond Highway. The stations will run initially from the Huntington Metrorail Station to Fort Belvoir and will include a possible future extension of the Metrorail Yellow Line to Hybla Valley.”

Each CBC is undergoing a replanning into a more dense, pedestrian-friendly and transit-oriented area. To the right is an initial concept for the Woodlawn CBC by the Fairfax County Office of Community Revitalization. Notice the mix of residential densities, retail, parks, and commercial among a grid of streets and along the BRT transit spine.



40,000

Employees on Fort Belvoir

51,000

Employees on Fort Belvoir by 2030



17% Office accounts for 17% of the corridor’s use.



12% Lodging accounts for 12% of the corridor’s use.

In the Community



Delegate Paul Krizek, Senator Scott Surovell, and Delegate Vivian Watts present a resolution commending Anne Andrews, who founded the South County Task for Human Service in 1975.



The Richmond Highway widening from Telegraph Rd to Jeff Todd Way ribbon cutting.

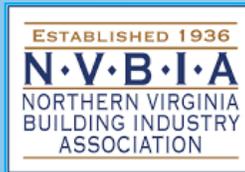


Anila Angjeli, (AIA, LEED AP), of Aline Architecture attends a Business Roundtable Speaker Series event.

12

SFDC Sponsored or Co-Sponsored events.

Our Event Partners:



28

Business Roundtable Speaker Series Average attendance

192

2017 Economic Outlook Summit Attendees



Left: The Huntington Levee plan.
Right: Levee groundbreaking ceremony



The Huntington Levee Project is designed to protect the adjacent Huntington Community from a 100 year storm event. In 2006, flooding caused severe damage to local homes. After citizen advocacy, Fairfax County voters approved a \$30 million bond for the construction of the levee. Construction began in March 2017 and is expected to be completed by the Spring of 2019.

SFDC

Lead

in the

The 2017 Economic Outlook Summit

Thought leadership



The 2017 Economic Outlook Summit. SFDC and the Mount Vernon-Lee Chamber of Commerce hosted the Economic Outlook Summit on April 6, 2017, featuring the nation's economists along with regional and local academics and experts, to give the more than 180 attendees a multi-layered and comprehensive portrait of the economy in Southeast Fairfax County. The Economic Outlook Summit is one of the premier economic development events in Fairfax County. Pictured above: SFDC Vice President, Mark Viani, of Bean Kinney Korman PC, addresses attendees. Event panelists seated left to right: Dr. Frank Nohaft, former Chief Economist at Freddie Mac and chief economist at Core Logic, Dr. Ann Battle-Macheras, of the Federal Reserve Bank of Richmond, Rebecca Cooper, the event moderator and reporter with the Washington Business Journal, and Dr. Terry Clower, of the Center for Regional Analysis at George Mason University.

Embark Richmond Highway Advisory Group

Conduit for Change



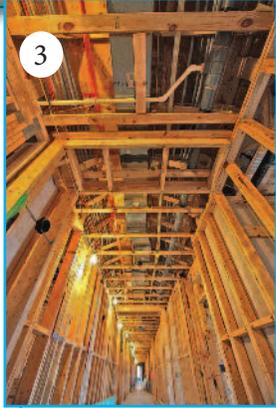
The Embark Richmond Highway Advisory Group. A 13-member Advisory Group is providing guidance to county staff and assisting with a larger community outreach effort as part of the Comprehensive Plan amendment process that is underway. The Advisory Group plays a key role in disseminating information about ongoing activities and communicating with staff about any concerns or questions they hear from the community related to Embark. The Advisory Group is comprised of representatives from the Southeast Fairfax Development Corporation (SFDC), representatives appointed by the Mount Vernon and Lee District Supervisors, and an at-large representative appointed by the Chairman of the Board of Supervisors.



Left: Levee construction in front of Cameron Run. Right: Looking west towards Huntington Metro from the water pump.



Economic Development



The table below displays residential sales data¹ in 2009, 2013, 2014, 2015 and 2016², in zip codes 22303, 22306, 22307, 22308, and 22309. The decline in imputed household income from 2014 to 2015 is primarily attributable to a national decline in 30-year fixed rate mortgage funding

	Total Units	Average Real Estate Market Value	Total Real Estate Market Value	Average Imputed Household Income	Aggregate Imputed Household Income
2009					
Single Family	807	\$479,000	\$386,553,103	\$108,000	\$87,317,400
Town Homes	498	\$198,567	\$98,886,556	\$48,600	\$24,202,800
Condominiums	292	\$167,561	\$48,927,870	\$41,300	\$12,059,600
Total	1,597		\$534,367,529		\$123,579,800
Weighted Average		\$334,604		\$77,382	

2013					
Single Family	827	\$587,421	\$485,796,889	\$122,400	\$101,224,800
Town Homes	355	\$325,157	\$115,430,648	\$71,900	\$25,524,500
Condominiums	228	\$217,143	\$49,508,544	\$49,200	\$11,217,600
Total	1,410		\$650,736,081		\$137,966,900
Weighted Average		\$461,515		\$97,849	

2014					
Single Family	734	\$634,435	\$465,675,357	\$134,600	\$98,796,400
Town Homes	381	\$336,005	\$128,017,932	\$75,700	\$28,841,700
Condominiums	277	\$252,041	\$69,815,320	\$58,100	\$16,093,700
Total	1,392		\$663,508,609		\$143,731,800
Weighted Average		\$476,538		\$103,256	

2015					
Single Family	535	\$587,456	\$314,288,883	\$121,000	\$64,735,000
Town Homes	211	\$348,368	\$73,505,752	\$75,900	\$16,014,900
Condominiums	135	\$237,302	\$32,035,761	\$52,900	\$7,141,500
Total (3)	881		\$419,830,396		\$87,891,400
Weighted Average		\$476,538		\$99,763	

2016					
Single Family	779	\$600,381	\$467,697,000	\$124,500	\$96,985,500
Town Homes	329	\$351,532	\$115,654,000	\$77,100	\$25,365,900
Condominiums	290	\$215,824	\$62,589,000	\$48,600	\$14,094,000
Total	1,398		\$645,940,000		\$136,445,400
Weighted Average		\$462,046		\$97,600	

1) The vacant lot, once home to Groveton Elementary School, at Memorial St and Richmond Highway. Early 2010.

2) The Beacon of Groveton under construction.

3) Construction and build out underway.

4) The Beacon of Groveton present day.

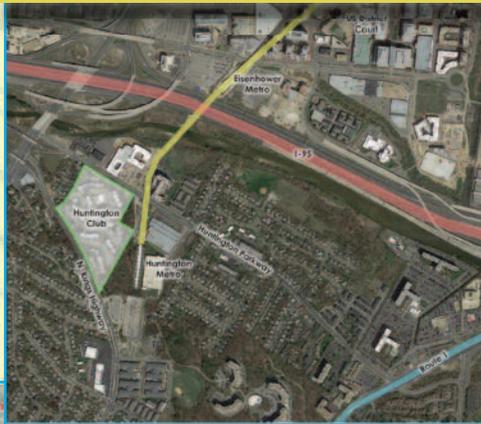
Source: County of Fairfax, VA; Long & Foster; Burke & Herbert Bank; Urban Analytics, Inc
 Note:
 1 Reflects actual units sold. Does not include units not-for-sale or units listed for-sale.
 2 Through June 30, 2016.
 3 In current year dollars.

Of the total 5,514,512 non-residential square footage along the corridor, 71% or 3,915,008 sq ft is retail, 17% or 936,799 sq ft is office, and 12% or 662,325 sq ft is hotel and lodging. Assessed values remained flat in 2015, however, once a property had been redeveloped, its valuation increased substantially.

Year	Total Assessment Value	Percent Change
2009	\$1,181,987,530	
2013	\$1,254,939,720	6.17%
2014	\$1,268,104,450	1.05%
2015	\$1,280,752,030	1.00%
2016	\$1,663,514,200	29.89%
2017	\$1,737,915,990	4.47%

Since January 2011, there have been over 21 private developments along the Richmond Highway Corridor, that resulted in an additional \$3.5 million in annual real estate tax revenue for Fairfax County in 2016. The table above displays non-residential real estate data along the Richmond Highway Corridor for 2009 and 2013-2017.

On the Horizon: Huntington Club



The Huntington Club Condominium Association's Comprehensive Plan Amendment received approval by the Board of Supervisors in February 2013 for densities up to 3.0 FAR, which accommodate the Condominium Association's proposal for a mixed-use development containing 1200 to 1800 housing units (multifamily rentals, condominiums, and town homes), 600,000 square feet of office space, a hotel, and ground-level retail. IDI Group was selected as the developer.

As of this publication, the Huntington Club Condominium Association is holding an ongoing vote to begin development of the site.



- 1) Top left: The Huntington Club property, surrounding neighborhoods, and transportation networks.
- 2) Top right: The Huntington Club property.
- 3) Directly above: Huntington Club plan envisioned by IDI Group and design firm, Streetsense.
- 4) Right: Huntington Club as envisioned by IDI Group and design firm, Streetsense.

Operations of SFDC

Revenues

Fairfax County (base grant)	\$183,320
Private sector contributions	\$21,120
In-kind program space contributions	\$3,400
Interest income	\$549
Total revenues	\$208,389

Expenses

Direct Expenses

Marketing and promotion	\$12,021
In-kind program space expense	\$3,300
Beautification and landscaping	\$0
Facade improvement & special projects	\$4,464
Mary Thonen Awards	\$303
Total direct expenses	\$20,188

Personnel Services

Salaries	\$51,340
Employee benefits and taxes	\$5,279
Contracted services	\$97,832
Total personnel services	\$154,451

Operating Expenses

Accounting and legal	\$3,993
Information technology	\$2,370
Depreciation	\$264
Dues and subscriptions	\$2,635
Insurance	\$1,776
Meetings and seminars	\$1,185
Office expenses	\$1,341
Postage	\$141
Payroll service and bank fees	\$1,187
Professional staff development	\$2,148
Supplies and small equipment	\$224
Rent and utilities	\$11,228
Taxes and licenses	\$25
Telephone and internet	\$2,081
Travel	\$2,224
Total operating expenses	\$32,822

Total Expenditures

Total expenses	\$207,461
Net operating result	\$928

We are a 501(c)3 nonprofit that relies on financial support from grants, sponsorships, and in-kind donations. Without the backing of our private and public partners, we would not be able to provide the programs, information, and educational events that foster growth and development along the Richmond Highway Corridor.

If you are interested in becoming a partner in the revitalization of the Richmond Highway Corridor, please visit www.sfdc.org or contact us directly at info@sfdc.org.



Magda's Snow Cone, of South County, one of the many locally owned and operated snowcone trucks along the Richmond Highway Corridor.



A woman enters the 171 bus in Hybla Valley. The Fairfax County Department of Transportation installed new bus shelters, sidewalks, and crosswalks along the Richmond Highway Corridor in order to improve pedestrian safety.

Governance

SFDC FY 2017 Board of Directors

Executive Committee:

Walter Clarke, Burke & Herbert Bank, President
Mark Viani, Bean, Kinney & Korman, P.C., Vice President
Bruce Leonard, Streetsense, Treasurer
Carlos Heard, Saul Centers, Secretary

Joanne Fiebe, Office of Community Revitalization, Fairfax County
Katy Fike, McEneaney Commercial Real Estate and the Mount Vernon-Lee Chamber of Commerce

Richard "Dick" Knapp, Community Volunteer
Vik Patel, Baywood Hotels
Karen Pohorylo, Community Volunteer
Christopher Soule, Lee District Association of Citizens Organizations
John Thillman, Landmark Atlantic
Rebecca "Becky" Todd, Community Volunteer
Ellen Young, Mount Vernon Council of Citizens Associations

SFDC Staff

Edythe Kelleher, Executive Director
Daniel Lagana, Communications Director

Sponsors and Supporters of Revitalization

Annual Sponsors



WASHINGTON REIT



Summit Sponsors



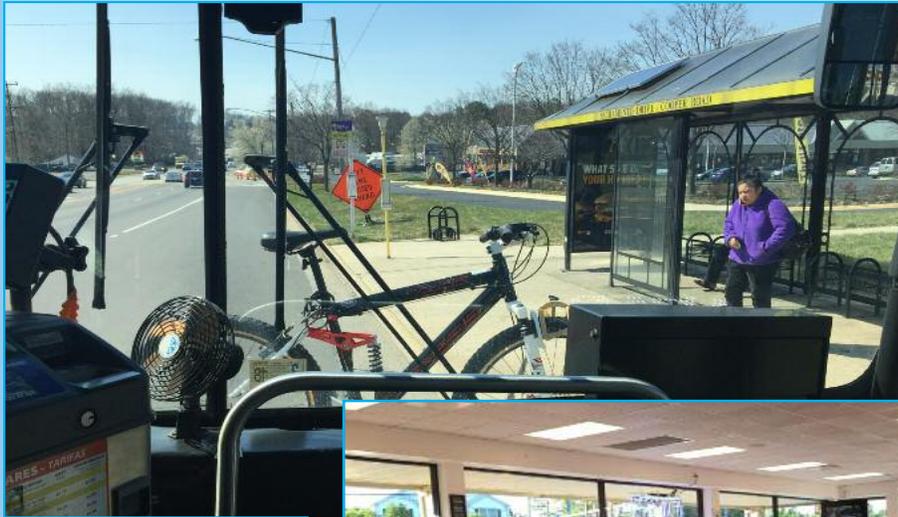
Business Roundtable Sponsors

FAIRFAX COUNTY
ECONOMIC DEVELOPMENT AUTHORITY



WALSH COLUCCI
LUBELEY & WALSH PC

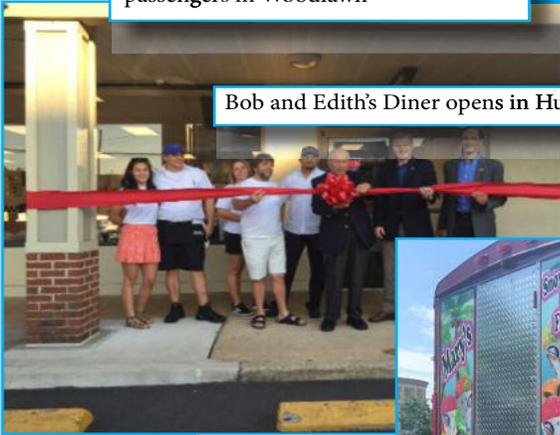
Saul Centers
A Real Estate Investment Trust



The 171 Fairfax Connector Bus picks up passengers in Woodlawn



Bob and Edith's Diner opens in Huntington



Snow cones for sale in Hybla Valley!



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